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ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, LLC

NAIC Group Code 00000 (Current Period) , 00000 (Prior Period) NAIC Company Code 52615 Employer's ID Number 46-0927995

Organized under the Laws of Michigan , State of Domicile or Port of Entry Michigan

Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized 10/14/1997 Commenced Business 08/01/1998

Statutory Home Office 228 W. Washington St. , Marquette, MI, US 49855
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 228 W. Washington St. ,
(Street and Number)
Marquette, MI, US 49855 906-225-7500
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 228 W. Washington St. , Marquette, MI, US 49855
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 228 W. Washington St. ,
(Street and Number)
Marquette, MI, US 49855 906-225-7500
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address N/A

Statutory Statement Contact Regina Marie Bergh , 906-225-7500
(Name) (Area Code) (Telephone Number) (Extension)
rmbergh@uphp.com 906-225-8687
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
Dennis Harold Smith	President	Regina Marie Bergh	Treasurer
James Steven Bogan	Chairman		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Michelle Marie Tavernier	David Barry Jahn	John Joseph Schon	Heather Anne Smith
James Steven Bogan	Charles Edward Nelson	Robert Vincent Vairo	Scott Frederick Pillion
Stephen Robert Embree #			

State of MICHIGAN

County of MARQUETTE

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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices* and *Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Dennis Harold Smith
President

Regina Marie Bergh
Treasurer

James Steven Bogan
Chairman

Subscribed and sworn to before me this
20TH day of February, 2017

a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Tanya M. Jennings, Director of Human Resources
October 11, 2019

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	13,073,052		13,073,052	12,418,126
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	12,392,213		12,392,213	3,976,123
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$36,053,341 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$9,483,397 , Schedule DA).....	45,536,738		45,536,738	56,983,651
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	71,002,003	0	71,002,003	73,377,900
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	113,735		113,735	46,904
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,858,334		9,858,334	2,284,263
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$607,000) and contracts subject to redetermination (\$)	607,000		607,000	23,000
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	651,000		651,000	1,439,000
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....	478,781	68,069	410,712	267,178
21. Furniture and equipment, including health care delivery assets (\$)	773,060	773,060	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other-than-invested assets	991,076	991,076	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	84,474,989	1,832,205	82,642,784	77,438,245
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	84,474,989	1,832,205	82,642,784	77,438,245
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepays.....	922,804	922,804	0	0
2502. Vehicles.....	68,272	68,272	0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	991,076	991,076	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	34,721,252		34,721,252	34,893,058
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	228,000		228,000	240,000
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act.....			0	2,323,934
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance	19,206		19,206	382
9. General expenses due or accrued	2,298,329		2,298,329	3,063,121
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)).....			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives.....		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies.....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	691,000		691,000	656,000
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	37,957,787	0	37,957,787	41,176,495
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	2,159,115
26. Common capital stock	XXX	XXX	0	3,582,870
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	3,582,870	0
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	41,102,127	30,519,765
32. Less treasury stock, at cost: 32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	44,684,997	36,261,750
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	82,642,784	77,438,245
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. ACA Tax.....	XXX	XXX		2,159,115
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	2,159,115
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	566,438	544,609
2. Net premium income (including \$0 non-health premium income).....	XXX	283,599,869	247,763,122
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	158,400	295,080
7. Aggregate write-ins for other non-health revenues	XXX	(155,667)	0
8. Total revenues (Lines 2 to 7)	XXX	283,602,602	248,058,202
Hospital and Medical:			
9. Hospital/medical benefits		186,446,295	155,116,701
10. Other professional services		19,127,360	15,476,247
11. Outside referrals			0
12. Emergency room and out-of-area		8,023,310	6,800,013
13. Prescription drugs		32,137,838	31,815,270
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	0	245,734,803	209,208,231
Less:			
17. Net reinsurance recoveries			126,667
18. Total hospital and medical (Lines 16 minus 17)	0	245,734,803	209,081,564
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$510,856 cost containment expenses.....		1,576,489	1,357,156
21. General administrative expenses.....		27,829,621	24,713,442
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	275,140,913	235,152,162
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	8,461,689	12,906,040
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		416,236	167,312
26. Net realized capital gains (losses) less capital gains tax of \$(1,128).....			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	415,108	167,312
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	8,876,797	13,073,352
31. Federal and foreign income taxes incurred	XXX		0
32. Net income (loss) (Lines 30 minus 31)	XXX	8,876,797	13,073,352
DETAILS OF WRITE-INS			
0601. Miscellaneous Revenue.....	XXX	158,400	295,080
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	158,400	295,080
0701. Gain/loss on asset disposal.....	XXX	(155,667)	0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	(155,667)	0
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			0
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	36,261,749	23,507,265
34. Net income or (loss) from Line 32	8,876,797	13,073,352
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	(511,107)	(318,868)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	(3,582,870)	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	3,582,870	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	57,558	0
48. Net change in capital and surplus (Lines 34 to 47)	8,423,248	12,754,484
49. Capital and surplus end of reporting year (Line 33 plus 48)	44,684,997	36,261,749
DETAILS OF WRITE-INS		
4701. Prior period HICA tax adj.....	57,558	0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	57,558	0

CASH FLOW

Cash from Operations	1	2
	Current Year	Prior Year
1. Premiums collected net of reinsurance	273,136,688	247,757,550
2. Net investment income	483,732	243,566
3. Miscellaneous income	2,733	295,080
4. Total (Lines 1 through 3)	273,623,153	248,296,196
5. Benefit and loss related payments	245,906,609	194,208,810
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	29,359,905	25,009,495
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	275,266,514	219,218,305
11. Net cash from operations (Line 4 minus Line 10)	(1,643,361)	29,077,891
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	5,700,575	5,000,000
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	1	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,700,576	5,000,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	6,396,573	5,900,738
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	8,510,470	3,976,123
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	14,907,043	9,876,861
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(9,206,467)	(4,876,861)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(597,085)	(574,601)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(597,085)	(574,601)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(11,446,913)	23,626,429
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	56,983,651	33,357,222
19.2 End of year (Line 18 plus Line 19.1)	45,536,738	56,983,651

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Upper Peninsula Health Plan, LLC

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	283,599,869	0	0	0	0	0	49,511,271	234,088,598	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	158,400	0	0	0	0	0	0	158,400	0	XXX
6. Aggregate write-ins for other non-health care related revenues	(155,667)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(155,667)
7. Total revenues (Lines 1 to 6).....	283,602,602	0	0	0	0	0	49,511,271	234,246,998	0	(155,667)
8. Hospital/medical benefits	186,446,295						28,642,000	157,804,295		XXX
9. Other professional services	19,127,360						5,101,432	14,025,928		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	8,023,310						2,155,849	5,867,461		XXX
12. Prescription drugs	32,137,838						5,568,911	26,568,927		XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0									XXX
15. Subtotal (Lines 8 to 14)	245,734,803	0	0	0	0	0	41,468,192	204,266,611	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	245,734,803	0	0	0	0	0	41,468,192	204,266,611	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses.....	1,576,489						290,386	1,286,103		
20. General administrative expenses	27,829,619						3,010,412	24,819,207		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	275,140,911	0	0	0	0	0	44,768,990	230,371,921	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	8,461,691	0	0	0	0	0	4,742,281	3,875,077	0	(155,667)
DETAILS OF WRITE-INS										
0501. Miscellaneous Revenue.....	158,400							158,400		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	158,400	0	0	0	0	0	0	158,400	0	XXX
0601. Gain/loss on asset disposal.....	(155,667)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(155,667)
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	(155,667)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(155,667)
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare	49,553,305		42,034	49,511,271
7. Title XIX - Medicaid.....	234,528,037		439,439	234,088,598
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	284,081,342	0	481,473	283,599,869
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	284,081,342	0	481,473	283,599,869

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Upper Peninsula Health Plan, LLC

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	245,906,609						41,614,192	204,292,417		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	245,906,609	0	0	0	0	0	41,614,192	204,292,417	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	34,721,252	0	0	0	0	0	5,505,000	29,216,252	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	34,721,252	0	0	0	0	0	5,505,000	29,216,252	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a).....	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	34,893,058	0	0	0	0	0	5,651,000	29,242,058	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	34,893,058	0	0	0	0	0	5,651,000	29,242,058	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	245,734,803	0	0	0	0	0	41,468,192	204,266,611	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	245,734,803	0	0	0	0	0	41,468,192	204,266,611	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	5,570,582						883,205	4,687,377		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	5,570,582	0	0	0	0	0	883,205	4,687,377	0	0
2. Incurred but Unreported:										
2.1. Direct	29,121,033						4,621,795	24,499,238		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	29,121,033	0	0	0	0	0	4,621,795	24,499,238	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	29,637							29,637		
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	29,637	0	0	0	0	0	0	29,637	0	0
4. TOTALS:										
4.1. Direct	34,721,252	0	0	0	0	0	5,505,000	29,216,252	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	34,721,252	0	0	0	0	0	5,505,000	29,216,252	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	6,621,790	34,992,402	8,000	5,497,000	6,629,790	5,651,000
7. Title XIX - Medicaid.....	24,069,444	180,222,973	8,000	29,208,253	24,077,444	29,242,058
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	30,691,234	215,215,375	16,000	34,705,253	30,707,234	34,893,058
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	30,691,234	215,215,375	16,000	34,705,253	30,707,234	34,893,058

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	1,821	1,821	1,821	1,821	1,821
2. 2012	438	490	490	490	490
3. 2013	XXX	564	709	709	709
4. 2014	XXX	XXX	1,089	1,201	1,201
5. 2015	XXX	XXX	XXX	1,530	1,530
6. 2016	XXX	XXX	XXX	XXX	0

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	2,223	2,523	2,523	2,523	2,523
2. 2012	513	562	562	562	562
3. 2013	XXX	664	809	809	809
4. 2014	XXX	XXX	1,220	1,332	1,332
5. 2015	XXX	XXX	XXX	1,399	1,399
6. 2016	XXX	XXX	XXX	XXX	0

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012.....	557	490	6	1.2	496	89.0			496	89.0
2. 2013.....	827	709	7	1.0	716	86.6			716	86.6
3. 2014.....	1,844	1,201	14	1.2	1,215	65.9			1,215	65.9
4. 2015.....	2,418	1,530	13	0.8	1,543	63.8			1,543	63.8
5. 2016.....		0		0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	689	689	689	689	689
2. 2012	3,647	4,354	4,354	4,354	4,354
3. 2013	XXX	4,912	5,600	5,600	4,600
4. 2014	XXX	XXX	5,854	6,924	6,924
5. 2015	XXX	XXX	XXX	26,223	32,845
6. 2016	XXX	XXX	XXX	XXX	34,992

Section B - Incurred Health Claims - Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	371	371	371	371	371
2. 2012	2,134	2,854	2,854	2,854	2,854
3. 2013	XXX	4,125	4,799	4,799	4,799
4. 2014	XXX	XXX	5,050	6,124	6,124
5. 2015	XXX	XXX	XXX	31,052	37,682
6. 2016	XXX	XXX	XXX	XXX	34,838

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012.....	3,412	4,354	34	0.8	4,388	128.6			4,388	128.6
2. 2013.....	5,117	4,600	43	0.9	4,643	90.7			4,643	90.7
3. 2014.....	6,595	6,924	50	0.7	6,974	105.7			6,974	105.7
4. 2015.....	31,192	32,845	171	0.5	33,016	105.8	8		33,024	105.9
5. 2016	52,854	34,992	290	0.8	35,282	66.8	5,497		40,779	77.2

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	565,263	565,263	565,263	565,263	565,263
2. 2012	75,950	85,734	85,734	85,734	85,734
3. 2013	XXX	83,361	93,169	93,169	93,169
4. 2014	XXX	XXX	102,565	117,319	117,319
5. 2015	XXX	XXX	XXX	151,350	175,419
6. 2016	XXX	XXX	XXX	XXX	180,223

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	582,260	582,260	582,260	582,260	582,260
2. 2012	86,668	96,467	96,467	96,467	96,467
3. 2013	XXX	94,281	104,089	104,089	104,089
4. 2014	XXX	XXX	122,466	137,243	137,243
5. 2015	XXX	XXX	XXX	160,668	184,745
6. 2016	XXX	XXX	XXX	XXX	180,189

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012.....	93,681	85,734	940	1.1	86,674	92.5			86,674	92.5
2. 2013.....	101,202	93,169	847	0.9	94,016	92.9			94,016	92.9
3. 2014.....	141,853	117,319	1,076	0.9	118,395	83.5			118,395	83.5
4. 2015.....	214,152	175,419	1,173	0.7	176,592	82.5	8	0	176,600	82.5
5. 2016	234,089	180,223	1,286	0.7	181,509	77.5	29,208	228	210,945	90.1

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Upper Peninsula Health Plan, LLC

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	567,773	567,773	567,773	567,773	567,773
2. 2012	80,035	90,578	90,578	90,578	90,578
3. 2013	XXX	88,837	99,478	99,478	98,478
4. 2014	XXX	XXX	109,508	125,444	125,444
5. 2015	XXX	XXX	XXX	179,103	209,794
6. 2016	XXX	XXX	XXX	XXX	215,215

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	584,854	585,154	585,154	585,154	585,154
2. 2012	89,315	99,883	99,883	99,883	99,883
3. 2013	XXX	99,070	109,697	109,697	109,697
4. 2014	XXX	XXX	128,736	144,699	144,699
5. 2015	XXX	XXX	XXX	193,119	223,826
6. 2016	XXX	XXX	XXX	XXX	215,027

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012.....	97,650	90,578	980	1.1	91,558	93.8	.0	.0	91,558	93.8
2. 2013.....	107,146	98,478	897	.9	99,375	92.7	.0	.0	99,375	92.7
3. 2014.....	150,292	125,444	1,140	.9	126,584	84.2	.0	.0	126,584	84.2
4. 2015.....	247,762	209,794	1,357	.6	211,151	85.2	16	.0	211,167	85.2
5. 2016.....	286,943	215,215	1,576	0.7	216,791	75.6	34,705	228	251,724	87.7

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0	NONE							
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0								
12. Totals (gross) .....	.0								
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$178,068 for occupancy of own building)	2,560	40,645	392,618		435,823
2. Salaries, wages and other benefits	472,511	743,472	6,038,423		7,254,406
3. Commissions (less \$ceded plus \$assumed)					0
4. Legal fees and expenses		112	557		669
5. Certifications and accreditation fees			6,735		6,735
6. Auditing, actuarial and other consulting services		4,560	531,684		536,244
7. Traveling expenses	18	290	98,467		98,775
8. Marketing and advertising	270	4,289	281,271		285,830
9. Postage, express and telephone		3,763	227,002		230,765
10. Printing and office supplies	227	3,610	277,724		281,561
11. Occupancy, depreciation and amortization	527	8,368	154,129		163,024
12. Equipment					0
13. Cost or depreciation of EDP equipment and software	370	5,876	232,966		239,212
14. Outsourced services including EDP, claims, and other services		160,393	2,168,904		2,329,297
15. Boards, bureaus and association fees	641	10,180	246,618		257,439
16. Insurance, except on real estate	1,867	29,646	156,490		188,003
17. Collection and bank service charges		14	41,547		41,561
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes		280	15,046		15,326
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes	31,865	50,135	407,191		489,191
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere				20,428	20,428
25. Aggregate write-ins for expenses	0	0	16,552,249	0	16,552,249
26. Total expenses incurred (Lines 1 to 25)	510,856	1,065,633	27,829,621	20,428	(a) .....29,426,538
27. Less expenses unpaid December 31, current year		228,000	2,298,329		2,526,329
28. Add expenses unpaid December 31, prior year	0	240,000	3,063,121	0	3,303,121
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	510,856	1,077,633	28,594,413	20,428	30,203,330
DETAILS OF WRITE-INS					
2501. MPCA - Outreach Program.....			516,933		516,933
2502. HICA Tax.....			1,082,581		1,082,581
2503. HMO Use Tax.....			11,558,501		11,558,501
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	3,394,234	0	3,394,234
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	16,552,249	0	16,552,249

(a) Includes management fees of \$9,405,141 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....	.....
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....154,120	.....162,004
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....178,068	.....178,068
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....130,845	.....190,972
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	463,033	531,044
11.	Investment expenses		(g).....20,428
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....94,380
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....114,808
17.	Net investment income (Line 10 minus Line 16)		416,236
DETAILS OF WRITE-INS			
0901.	.....		.....
0902.	.....		.....
0903.	.....		.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$0 accrual of discount less \$39,947 amortization of premium and less \$5,860 paid for accrued interest on purchases.
(b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
(d) Includes \$178,068 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
(e) Includes \$0 accrual of discount less \$149,310 amortization of premium and less \$46,405 paid for accrued interest on purchases.
(f) Includes \$0 accrual of discount less \$0 amortization of premium.
(g) Includes \$0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
(i) Includes \$94,380 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0		
1.1	Bonds exempt from U.S. tax .....			.....0		
1.2	Other bonds (unaffiliated) .....	.....(1,128)	.....0	.....(1,128)	.....0	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....0	.....0	.....0	.....0	.....0
6.	Cash, cash equivalents and short-term investments .....	.....0	.....0	.....0	.....0	.....0
7.	Derivative instruments .....	.....0	.....0	.....0	.....0	.....0
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	.....(1,128)	0	.....(1,128)	0	0
DETAILS OF WRITE-INS						
0901.	.....			.....0		
0902.	.....			.....0		
0903.	.....			.....0		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	68,069	0	(68,069)
21. Furniture and equipment, including health care delivery assets.....	773,060	477,510	(295,550)
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	991,076	843,588	(147,488)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,832,205	1,321,098	(511,107)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	1,832,205	1,321,098	(511,107)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses.....	922,804	843,588	(79,216)
2502. Vehicles.....	68,272	0	(68,272)
2503.		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	991,076	843,588	(147,488)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	47,112	46,849	47,447	47,154	47,852	566,438
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	47,112	46,849	47,447	47,154	47,852	566,438
DETAILS OF WRITE-INS						
0601. ....	.0					
0602. ....	.0					
0603. ....	.0					
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices.

The accompanying financial statements of Upper Peninsula Health Plan, LLC (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Michigan Insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the DIFS is shown below:

		SSAP#	F/S Page	F/S Line	2016	2015
NET INCOME						
(1)	Upper Peninsula Health Plan, LLC state basis (Page 4, Line 32, Columns 2 & 3)				\$ 8,876,797	\$13,073,349
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:	N/A				
(201)	e.g., Depreciation of fixed assets					
(299)	Total	N/A				
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:	N/A				
(301)	e.g., Depreciation, home office property					
(399)	Total	N/A				
(4)	NAIC SAP (1-2-3 = 4)				\$ 8,876,797	\$13,073,349
SURPLUS						
(5)	Upper Peninsula Health Plan, LLC state Basis (Page 3, Line 33, Columns 3 & 4)				\$44,753,065	\$36,261,750
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:	N/A				
(601)	e.g., Goodwill, net; Fixed Assets, net					
(699)	Total	N/A				
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:	N/A				
(701)	e.g., Home office property					
(799)	Total	N/A				
(8)	NAIC SAP (5-6-7 = 8)				\$44,753,065	\$36,261,750

B. Use of Estimates in the Preparation of the Financial Statements

The estimates used in the preparation of the financial statements conformed to the Annual Statement Instructions and Accounting Practices and Procedures manual.

C. Accounting Policy

In addition, the Company applies the following accounting policies:

- (1) Short-term Investments – stated at fair value.
- (2) Bonds – stated at amortized cost using the scientific interest method.
- (3) Common Stocks – NONE
- (4) Preferred Stocks – NONE
- (5) Mortgage loans on real estate – NONE
- (6) Loan-backed securities – NONE
- (7) Investments in subsidiaries, controlled or affiliated companies – NONE
- (8) Investments in joint ventures, partnerships and limited liability companies – NONE
- (9) Derivatives – NONE
- (10) Investment income in premium deficiency calculation – NONE
- (11) Claims Unpaid – The claims unpaid liability for incurred but unpaid and unreported claims is accrued in the period during which the services are provided, and includes actuarial estimates of services performed that have not been reported to Upper Peninsula Health Plan, LLC by providers.
- (12) Fixed Asset Capitalization – there was no change in the capitalization policy from prior periods.
- (13)Pharmaceutical Rebate Receivables – NONE

D. Going Concern – NONE

NOTES TO FINANCIAL STATEMENTS

Note 2 - Accounting Changes and Corrections of Errors

There was a prior period adjustment for the 4th quarter 2015 HICA tax payment in the amount of \$57,588.

Note 3 - Business Combinations and Goodwill

NONE

Note 4 - Discontinued Operations

NONE

Note 5 - Investments

- A. Mortgage Loans – NONE
- B. Debt Restructuring – NONE
- C. Reverse Mortgages – NONE
- D. Loan-Backed Securities – NONE
- E. Repurchase Agreements and/or Securities Lending Transactions – NONE
- F. Real Estate – NONE
- G. Low-Income Housing Tax Credits – NONE
- H. Restricted Assets

As of December 31, 2016, the Company maintained on deposit with Wells Fargo \$1,000,892 and \$1,000,892 held as cash.

(1) Restricted Assets (Including Pledged)

		1	2	3	4	5	6
Restricted Asset Category		Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a.	Subject to contractual obligation for which liability is not shown						
b.	Collateral held under security lending agreements						
c.	Subject to repurchase agreements						
d.	Subject to reverse agreements						
e.	Subject to dollar repurchase agreements						
f.	Subject to dollar reverse repurchase agreements						
g.	Placed under option contracts						
h.	Letter stock or securities restricted as to sale - excluding FHLB capital stock						
i.	FHLB capital stock						
j.	On deposit with states						
k.	On deposit with other regulatory bodies	1,000,892	1,032,722	(31,830)	1,000,892	1.18%	1.21%
l.	Pledged as collateral to FHLB (including assets backing funding agreements)						
m.	Pledged as collateral no captured in other categories						
n.	Other restricted assets						
o.	Total Restricted Assets	\$ 1,000,892	\$ 1,032,722	\$ (31,830)	\$ 1,000,892	1.18%	1.21%

- I. Working Capital Finance Investments – NONE
- J. Offsetting and Netting of Assets and Liabilities – NONE
- K. Structured Notes – NONE

Note 6 - Joint Ventures, Partnerships, and Limited Liability Companies

NONE

NOTES TO FINANCIAL STATEMENTS

Note 7 – Investment Income

- A. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.
- B. The Company had no investment income due and accrued excluded from surplus.

Note 8 - Derivative Instruments

NONE

Note 9 - Income Taxes

NONE

Note 10-Information Concerning Parent, Subsidiaries, and Affiliates

- A. The Company is owned by fourteen healthcare organizations with each owning various percentages. The company has one ultimate controlling person (UCP), LifePoint Health, Inc. In that, one entity owns greater than 10% of the company's non-voting stock:

LifePoint Health, Inc controls 56.41% through its ownership of DLP Marquette Health Plan, LLC, and controls 5.14% through its ownership of Acquisition Bell Hospital.

LifePoint Health, Inc's subsidiary, LifePoint Holdings 2, LLC owns 100% of Portage Holding Company, LLC, which controls 10.05% of Upper Peninsula Health Plan's common stock

- B. NONE.
- C. The Plan paid a management fee of \$9,405,141 to its management company, Upper Peninsula Managed Care, LLC through December 31, 2016. All transactions are covered under Note 10-Part F.
- D. Amounts due to/from Upper Peninsula Health Plan and affiliates totaled \$0. Intercompany receivables and payables are generally settled on a monthly basis.
- E. Affiliate Guarantees – NONE
- F. The Plan has a Management Service Agreement with its affiliate. This agreement spells out all administrative services provided by the company and includes methods of reimbursement for services performed.
- G. There are no shares of voting common stock in the Company. All 100 voting shares were recalled as a result of a change in control effective April 1, 2004.
- H. Ownership in upstream affiliate or parent – NONE
- I. Investment in subsidiary, controlled or affiliated (SCA) entity that exceeds 10% of the admitted assets of the insurer – NONE
- J. Investment impaired – NONE
- K. Investment in a foreign insurance subsidiary – NONE
- L. Investment in downstream noninsurance holding company – NONE
- M. SCA Investments - NONE
- N. Investment in Insurance SCA's - NONE

Note 11-Debt

NONE

Note 12-Retirement Plans, Deferred Compensation, Postemployment Benefits & Compensated Absences, and other Postretirement Benefit Plans

NONE

Note 13-Capital, Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

- (1) As of December 31, 2016, the Plan has 29,857 shares of non-voting common stock issued and outstanding. The Plan has no preferred stock issued or outstanding.
- (2) Preferred Stock – NONE

NOTES TO FINANCIAL STATEMENTS

- (3) Dividend Restrictions – The laws of the State of Michigan limit the payment and declaration of extraordinary and ordinary dividends. As set forth in the Michigan Insurance Code, dividends shall be declared or paid only from earned surplus, unless DIFS approves the dividend prior to payment. The Plan has adopted a policy where Dividend distribution is restricted to a level of 600% of the authorized control level.
- (4) Dividends paid – NONE
- (5) Subject to the limitations of (3) above, no restrictions have been placed on the portion of the Company’s profits that may be paid as ordinary dividends to stockholders.
- (6) Restrictions placed on unassigned funds (surplus) – NONE
- (7) Advances to surplus not repaid – NONE
- (8) Stock held for special purposes – NONE
- (9) Changes in balances of special surplus funds from the prior period – NONE
- (10) Unassigned funds (surplus) represented or reduced – NONE
- (11) Surplus notes – NONE
- (12) Impact of the restatement in a quasi-reorganization – NONE
- (13) The effective date of a quasi-reorganization – NONE

Note 14-Liabilities, Contingencies and Assessments

NONE

Note 15-Leases

NONE

Note 16-Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

NONE

Note 17-Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

NONE

Note 18-Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans – NONE
- B. ASC Plans – NONE
- C. Medicare or Similarly Structured Cost Based Reimbursement Contracts
 - (1) The Company records no revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.
 - (2) As of December 31, 2016, the Company has recorded a receivable from CMS of \$651,000 related to the risk sharing and reinsurance components of administered Medicare products. The Company does not have any additional receivables greater than 10% of the Company’s amounts receivable from uninsured accident and health plans or \$10,000.
 - (3) In connection with the Company’s Medicare Part D cost based reimbursement portion of the contract, the Company has recorded no allowances and reserves for adjustment of recorded revenues at December 31, 2016.
 - (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

Note 19-Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

NONE

Note 20-Fair Value Measurements

In general, the Level 1 fair values are established from quoted (unadjusted) market prices in active markets for identical assets and liabilities that the Company has the ability to access.

NOTES TO FINANCIAL STATEMENTS

- A. Fair Value at Reporting Date
1. Fair Value Measurements at Reporting Date – None.

2. Fair Value Measurements in Level 3 – None.

3. The Company’s policy for determining transfers between levels are recognized and determined at the end of the reporting period.

4. Securities valued at Level 3 – None.

5. Derivative assets and liabilities - None.
- B. Fair value information disclosed under SSAP No. 100 combined with fair value information under other accounting pronouncements – None.
- C. Aggregate Fair Value of all Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable Carrying Value
Bonds	\$ 20,056,447	\$ 20,056,447	\$ 20,056,447	\$ -	\$ -	\$ -
CD's	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000			
Total	\$ 22,556,447	\$ 22,556,447	\$ 22,556,447	\$ -	\$ -	\$ -

- D. Not practicable to estimate fair value - None

Note 21 – Other Items

- A. Unusual or Infrequent Items - NONE
- B. Troubled Debt Restructuring - NONE
- C. Other Disclosures and Unusual Items – NONE
- D. Business Interruption Insurance Recoveries – NONE
- E. State Transferable and Non-transferable Tax Credits – NONE
- F. Subprime-Mortgage-Related Risk Exposure – NONE
- G. Retained Assets – NONE
- H. Insurance-Linked Securities – Not Applicable

Note 22-Events Subsequent

	Current Year	Prior Year
A. Did the Reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)	YES	YES
B. ACA fee assessment payable for the upcoming year	\$ 0	\$ 3,616,641
C. ACA fee assessment paid	\$ 3,394,233	\$ 2,159,115
D. Premium written subject to ACA 9010 assessment	\$ 0	\$226,432,300
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$ 44,753,065	\$ 36,261,750
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 44,753,065	\$ 32,391,291
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	\$ 9,098,472	\$ 7,711,017
H. Would reporting the ACA assessment as of Dec 31, 2016 trigger an RBC action level (YES/NO)?	NO	NO

Note 23-Reinsurance

- A. The Company limits a portion of its medical claims liability through stop-loss insurance. Under the terms of this agreement, the insurance company will reimburse approximately 90% of the cost of each member’s applicable annual services in excess of \$150,000 (up to a maximum of \$2,000,000) once an annual aggregate deductible of approximately \$1,400,000 is reached. There was no uncollectible reinsurance written off during the quarter.
- Section 1 – General Interrogatories
- (1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the Company?
- Yes () No (X)

NOTES TO FINANCIAL STATEMENTS

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
- Yes () No (X)

Section 2 - Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
- Yes () No (X)
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
- Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) The estimated amount of the aggregate reduction in surplus, of termination of ALL reinsurance agreements, by either party, as of the date of this statement is zero.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
- Yes () No (X)

- B. Uncollectible Reinsurance – NONE
- C. Commutation of Ceded Reinsurance – NONE
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - NONE

Note 24-Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments for its Medicare Part D Risk Corridor adjustment based on the contract with CMS and actuarial estimates.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Company at December 31, 2016 that are subject to retrospective rating features was \$34,031,984, or 12% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act – Not Applicable
- E. Risk Sharing Provisions of the Affordable Care Act – Not Applicable

Note 25-Change in Incurred Claims and Claim Adjustment Expense

Reserves as of December 31, 2014 were \$20,850,704 for unpaid claims and \$285,000 for unpaid claims adjustment expenses. As of December 31, 2015, \$15,935,510 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. There are \$27,000 reserves remaining for prior years. Therefore, there has been a \$4,915,194 favorable prior year development since December 31, 2014 to December 31, 2015. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

Note 26-Intercompany Pooling Arrangements

Not Applicable.

Note 27-Structured Settlement

Not Applicable.

Note 28-Health Care Receivables

At December 31, 2016 the identified pharmacy rebates recorded as healthcare receivables are \$1,508,625.

A. Pharmaceutical Rebate Receivables						
		Pharmacy Rebates	Estimated	Actual	Actual	Actual Rebates
			26.5			

NOTES TO FINANCIAL STATEMENTS

	Pharmacy Rebates as Reported on Financial Statements	as Billed or Otherwise Confirmed	Pharmacy Rebates for previous 3 months	Rebates Received Within 90 Days of Billing	Rebates Received Within 91 to 180 Days of Billing	Received More Than 180 Days After Billing
12/31/2016	0	0	0	0	0	1,380,457
9/30/2016	0	0	0	0	0	91,614
6/30/2016	0	0	0	0	0	454,343
3/31/2016	0	0	0	0	0	663,171
12/31/2015	0	0	0	0	80,808	76,046
9/30/2015	0	0	0	0	0	48,192
6/30/2015	0	0	0	0	52,837	99,473
3/31/2015	0	0	0	0	0	83,586

B. Risk Sharing Receivables – NONE

Note 29-Participating Policies

Not Applicable.

Note 30-Premium Deficiency Reserves

1.	Liability carried for premium deficiency reserves	<u>\$0</u>
2.	Date of the most recent evaluation of this liability	<u>12/31/16</u>
3.	Was anticipated investment income utilized in the calculation? (Yes/No)	<u>Yes</u>

Note 31-Anticipated Salvage and Subrogation

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

MICHIGAN.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2014
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2011
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....03/07/2013
- 3.4

By what department or departments? MICHIGAN DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☒ No ☐ N/A ☐
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ No ☒

4.12 renewals? Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ No ☒

4.22 renewals? Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control

.....0.0
- 7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
ANDERSON, TACKMAN AND COMPANY, PLC, 102 W. WASHINGTON ST. #109, MARQUETTE, MI 49855.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
MILLIMAN, 15800 BLUEMOUND RD., SUITE 400, BROOKFIELD, WI 53005.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

0

\$.....

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
- Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.103 Total payable for securities lending reported on the liability page \$.....

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

25.22 Subject to reverse repurchase agreements

25.23 Subject to dollar repurchase agreements

25.24 Subject to reverse dollar repurchase agreements

25.25 Placed under option agreements

25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock

25.27 FHLB Capital Stock

25.28 On deposit with states

25.29 On deposit with other regulatory bodies

25.30 Pledged as collateral – excluding collateral pledged to an FHLB

25.31 Pledged as collateral to FHLB – including assets backing funding agreements

25.32 Other

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

1,000,892

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A []
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian’s Address
WELLS FARGO INSTITUTIONAL TRUST SERVICES.....	101 W. WASHINGTON ST., MARQUETTE, MI 49855.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	22,556,446	22,501,784	(54,662)
30.2 Preferred Stocks.....	0		0
30.3 Totals	22,556,446	22,501,784	(54,662)

30.4 Describe the sources or methods utilized in determining the fair values:

Fair values are based on quoted market prices provided by Clearwater.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

- 34.1 Amount of payments for legal expenses, if any? \$106
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
FOSTER, SWIFT, COLLINS & SMITH PC.....	\$.....106

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
1.2 If yes, indicate premium earned on U.S. business only. \$0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
1.31 Reason for excluding
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$
1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$0
1.6 Individual policies:
Most current three years:
1.61 Total premium earned \$0
1.62 Total incurred claims \$0
1.63 Number of covered lives0
All years prior to most current three years:
1.64 Total premium earned \$0
1.65 Total incurred claims \$0
1.66 Number of covered lives0
1.7 Group policies:
Most current three years:
1.71 Total premium earned \$0
1.72 Total incurred claims \$0
1.73 Number of covered lives0
All years prior to most current three years:
1.74 Total premium earned \$0
1.75 Total incurred claims \$0
1.76 Number of covered lives0
2. Health Test:
1 2
Current Year Prior Year
2.1 Premium Numerator \$283,599,869 \$247,763,122
2.2 Premium Denominator \$283,599,869 \$247,763,122
2.3 Premium Ratio (2.1/2.2)1.0001.000
2.4 Reserve Numerator \$34,721,252 \$37,216,992
2.5 Reserve Denominator \$34,721,252 \$37,216,992
2.6 Reserve Ratio (2.4/2.5)1.0001.000
3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
3.2 If yes, give particulars:
4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]
5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
5.2 If no, explain:
5.3 Maximum retained risk (see instructions)
5.31 Comprehensive Medical \$210,000
5.32 Medical Only \$
5.33 Medicare Supplement \$
5.34 Dental and Vision \$
5.35 Other Limited Benefit Plan \$
5.36 Other \$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
UPHP has an insolvency clause in its stop-loss agreement. Also, provider agreements contain insolvency language to protect members.
7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []
7.2 If no, give details
8. Provide the following information regarding participating providers:
8.1 Number of providers at start of reporting year1,173
8.2 Number of providers at end of reporting year1,370
9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
9.2 If yes, direct premium earned:
9.21 Business with rate guarantees between 15-36 months
9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [X] No []
- 10.2 If yes:

10.21 Maximum amount payable bonuses\$.....

10.22 Amount actually paid for year bonuses\$.....

10.23 Maximum amount payable withholds\$.....225,000

10.24 Amount actually paid for year withholds\$.....
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,Yes [X] No []

11.14 A Mixed Model (combination of above) ?Yes [] No [X]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.

MICHIGAN.....
- 11.4 If yes, show the amount required.

\$.....18,196,390
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation
200% of RBC AUTHORIZED CONTROL LEVEL IS REQUIRED (9,098,195 X 2 = 18,196,390)
12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
REGION 8 WHICH INCLUDES ALL COUNTIES IN MICHIGAN'S UPPER PENINSULA. REGION 1 FOR HEALTHY MIGHICHAN PLAN, WHICH ALSO INCLUDES ALL COUNTIES IN MICHIGAN'S UPPER PENINSULA.....
.....
.....
.....
.....

- 13.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$.....
- 13.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$.....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?

Yes [] No [N/A]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other

15. Provide the following for Individual ordinary life insurance* policies (U.S. business Only) for the current year:

15.1 Direct Premium Written (prior to reinsurance ceded)\$.....

15.2 Total incurred claims\$.....

15.3 Number of covered lives.....

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE - YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	82,642,784	77,438,245	46,194,185	31,874,040	31,935,651
2. Total liabilities (Page 3, Line 24)	37,957,787	41,176,495	22,686,918	12,630,119	13,251,210
3. Statutory minimum capital and surplus requirement	18,196,390	15,420,516	9,491,066	7,541,646	6,830,628
4. Total capital and surplus (Page 3, Line 33)	44,684,997	36,261,750	23,507,265	19,243,921	18,684,441
Income Statement (Page 4)					
5. Total revenues (Line 8)	283,602,602	248,058,202	150,403,761	107,149,600	97,649,980
6. Total medical and hospital expenses (Line 18)	245,734,803	209,081,564	128,365,246	98,299,494	88,637,467
7. Claims adjustment expenses (Line 20)	1,576,489	1,357,156	1,140,338	897,330	980,134
8. Total administrative expenses (Line 21)	27,829,621	24,713,442	16,445,926	7,323,078	7,812,889
9. Net underwriting gain (loss) (Line 24)	8,461,689	12,906,040	4,452,251	629,698	219,490
10. Net investment gain (loss) (Line 27)	415,108	167,312	111,682	72,946	29,251
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	8,876,797	13,073,352	4,563,933	702,644	248,741
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(1,643,361)	29,077,891	14,264,053	2,022,716	25,182
Risk-Based Capital Analysis					
14. Total adjusted capital.....	44,684,997	36,261,750	23,507,265	19,243,921	18,684,441
15. Authorized control level risk-based capital	9,098,195	7,711,017	4,745,623	3,770,823	3,415,314
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	47,852	47,112	40,097	31,097	30,805
17. Total members months (Column 6, Line 7)	566,438	544,609	448,122	368,060	364,339
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	86.6	84.4	85.4	91.7	90.8
20. Cost containment expenses	0.2	0.2	0.0	0.0	0.1
21. Other claims adjustment expenses	0.4	0.4	0.7	0.8	0.9
22. Total underwriting deductions (Line 23)	97.0	94.9	97.1	99.4	99.8
23. Total underwriting gain (loss) (Line 24)	3.0	5.2	3.0	0.6	0.2
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	30,707,234	15,962,510	10,657,144	10,541,550	10,477,409
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	34,893,058	20,850,704	11,805,586	12,332,258	11,783,138
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - *Accounting Changes and Correction of Errors*?.....Yes [] No []

If no, please explain

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

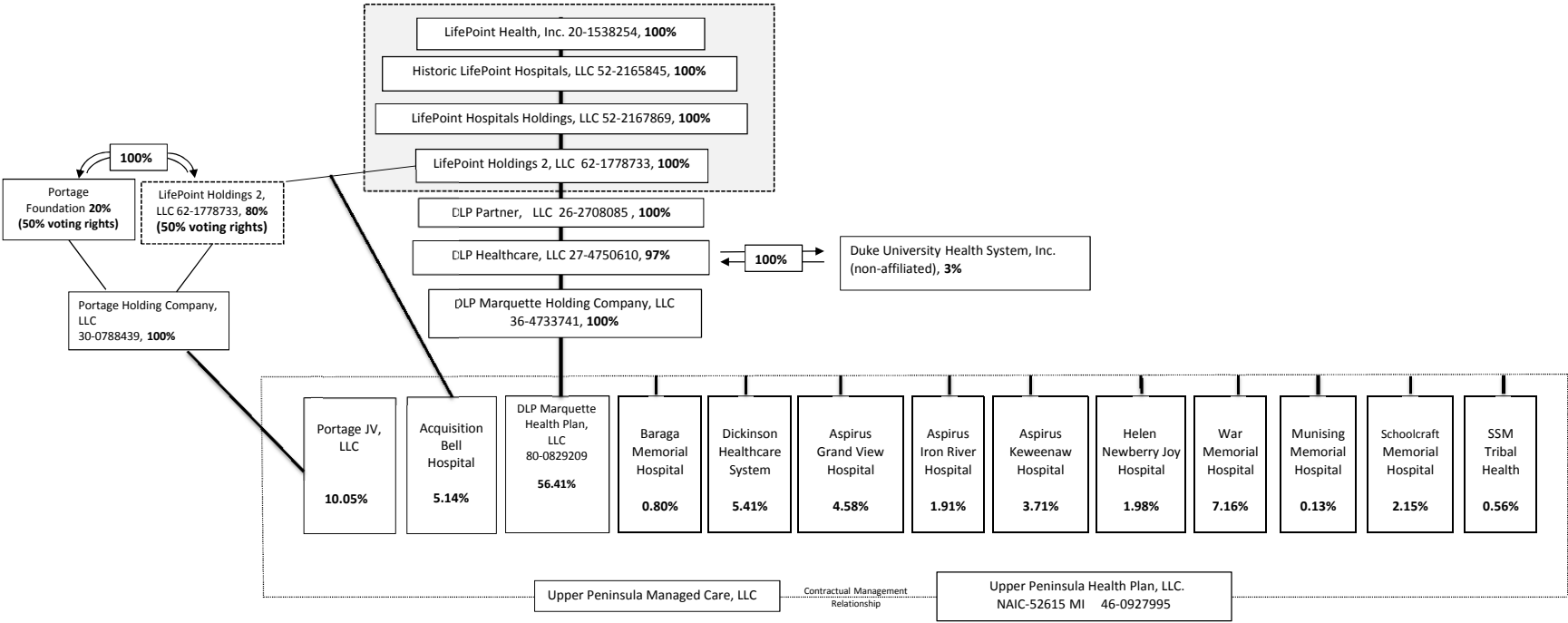
			1	Direct Business Only							
				2	3	4	5	6	7	8	9
State, Etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Consideration s	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N							0	0
2.	Alaska	AK	N							0	0
3.	Arizona	AZ	N							0	0
4.	Arkansas	AR	N							0	0
5.	California	CA	N							0	0
6.	Colorado	CO	N							0	0
7.	Connecticut	CT	N							0	0
8.	Delaware	DE	N							0	0
9.	District of Columbia	DC	N							0	0
10.	Florida	FL	N							0	0
11.	Georgia	GA	N							0	0
12.	Hawaii	HI	N							0	0
13.	Idaho	ID	N							0	0
14.	Illinois	IL	N							0	0
15.	Indiana	IN	N							0	0
16.	Iowa	IA	N							0	0
17.	Kansas	KS	N							0	0
18.	Kentucky	KY	N							0	0
19.	Louisiana	LA	N							0	0
20.	Maine	ME	N							0	0
21.	Maryland	MD	N							0	0
22.	Massachusetts	MA	N							0	0
23.	Michigan	MI	L		49,553,305	234,528,037				284,081,342	0
24.	Minnesota	MN	N							0	0
25.	Mississippi	MS	N							0	0
26.	Missouri	MO	N							0	0
27.	Montana	MT	N							0	0
28.	Nebraska	NE	N							0	0
29.	Nevada	NV	N							0	0
30.	New Hampshire	NH	N							0	0
31.	New Jersey	NJ	N							0	0
32.	New Mexico	NM	N							0	0
33.	New York	NY	N							0	0
34.	North Carolina	NC	N							0	0
35.	North Dakota	ND	N							0	0
36.	Ohio	OH	N							0	0
37.	Oklahoma	OK	N							0	0
38.	Oregon	OR	N							0	0
39.	Pennsylvania	PA	N							0	0
40.	Rhode Island	RI	N							0	0
41.	South Carolina	SC	N							0	0
42.	South Dakota	SD	N							0	0
43.	Tennessee	TN	N							0	0
44.	Texas	TX	N							0	0
45.	Utah	UT	N							0	0
46.	Vermont	VT	N							0	0
47.	Virginia	VA	N							0	0
48.	Washington	WA	N							0	0
49.	West Virginia	WV	N							0	0
50.	Wisconsin	WI	N							0	0
51.	Wyoming	WY	N							0	0
52.	American Samoa	AS	N							0	0
53.	Guam	GU	N							0	0
54.	Puerto Rico	PR	N							0	0
55.	U.S. Virgin Islands	VI	N							0	0
56.	Northern Mariana Islands	MP	N							0	0
57.	Canada	CAN	N							0	0
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal.....		XXX	0	49,553,305	234,528,037	0	0	0	284,081,342	0
60.	Reporting entity contributions for Employee Benefit Plans.....		XXX							0	
61.	Total (Direct Business)	(a)	1	0	49,553,305	234,528,037	0	0	0	284,081,342	0
DETAILS OF WRITE-INS											
58001.			XXX								
58002.			XXX								
58003.			XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page.....		XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0	0	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc. ONLY LICENSED IN MICHIGAN

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations by Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 – Enrollment By Product Type for Health Business Only	17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18
Exhibit 3 – Health Care Receivables	19
Exhibit 3A – Analysis of Health Care Receivables Collected and Accrued	20
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	21
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	22
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	23
Exhibit 7 – Part 1 – Summary of Transactions With Providers	24
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	24
Exhibit 8 – Furniture, Equipment and Supplies Owned	25
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	30
Five-Year Historical Data	29
General Interrogatories	27
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	26
Overflow Page For Write-Ins	44
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	SI02
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Part 3	E06
Schedule B – Verification Between Years	SI02
Schedule BA – Part 1	E07
Schedule BA – Part 2	E08
Schedule BA – Part 3	E09
Schedule BA – Verification Between Years	SI03
Schedule D – Part 1	E10

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule D – Part 1A – Section 1	SI05
Schedule D – Part 1A – Section 2	SI08
Schedule D – Part 2 – Section 1	E11
Schedule D – Part 2 – Section 2	E12
Schedule D – Part 3	E13
Schedule D – Part 4	E14
Schedule D – Part 5	E15
Schedule D – Part 6 – Section 1	E16
Schedule D – Part 6 – Section 2	E16
Schedule D – Summary By Country	SI04
Schedule D – Verification Between Years	SI03
Schedule DA – Part 1	E17
Schedule DA – Verification Between Years	SI10
Schedule DB – Part A – Section 1	E18
Schedule DB – Part A – Section 2	E19
Schedule DB – Part A – Verification Between Years	SI11
Schedule DB – Part B – Section 1	E20
Schedule DB – Part B – Section 2	E21
Schedule DB – Part B – Verification Between Years	SI11
Schedule DB – Part C – Section 1	SI12
Schedule DB – Part C – Section 2	SI13
Schedule DB – Part D – Section 1	E22
Schedule DB – Part D – Section 2	E23
Schedule DB – Verification	SI14
Schedule DL – Part 1	E24
Schedule DL – Part 2	E25
Schedule E – Part 1 – Cash	E26
Schedule E – Part 2 – Cash Equivalents	E27
Schedule E – Part 3 – Special Deposits	E28
Schedule E – Verification Between Years	SI15
Schedule S – Part 1 – Section 2	31
Schedule S – Part 2	32
Schedule S – Part 3 – Section 2	33
Schedule S – Part 4	34
Schedule S – Part 5	35
Schedule S – Part 6	36
Schedule S – Part 7	37
Schedule T – Part 2 – Interstate Compact	39
Schedule T – Premiums and Other Considerations	38
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y – Part 1A – Detail of Insurance Holding Company System	41
Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit – Part 1	8
Underwriting and Investment Exhibit – Part 2	9
Underwriting and Investment Exhibit – Part 2A	10
Underwriting and Investment Exhibit – Part 2B	11
Underwriting and Investment Exhibit – Part 2C	12
Underwriting and Investment Exhibit – Part 2D	13
Underwriting and Investment Exhibit – Part 3	14

